

**California Energy Commission**  
**RENEWABLE ENERGY PROGRAM**  
**Summary of Activities**  
**July – December 2004**

**New Renewable Facilities Program**

- Incentive payments totaling more than \$7.7 million were made during this period.
- Since its inception in June 1998, the program has paid a total of \$47 million in production incentives to 43 new renewable generating facilities for 4,500 gigawatt-hours (GWh) of generation.
- More than \$148 million is encumbered for participating auction winners.
- Forty-five projects are currently on-line and producing electricity, representing 429 megawatts (MW) of new renewable capacity.
- The Renewables Committee approved a 16-megawatt expansion to the High Winds Phase II wind project.
- More than \$210 million is available for Supplemental Energy Payments (SEPs) to cover the above-market costs for eligible participants to meet their RPS requirements.

**Existing Renewable Facilities Program**

- During this period, about \$14.2 million in payments were made for 2,498 GWhs of generation for May through October 2004.
- To date, payments totaling \$208.9 million have been made to existing facilities for generation from 1998 through October 2004.
- 378 facilities are registered as renewable suppliers, with 102 eligible for funding from the ERFP.
- ERFP rollover funds — those remaining after payments have been made are rolled over to the next payment cycle as available funds — total \$22.4 million.

**AgBio Program**

- Approximately \$1.48 million in payments were made this quarter (\$.51 million for purchases from July through December 2003, and \$.97 million for purchases from January through June 2004).
- Payments from the AgBio Program total \$6.0 million. This program is now concluded and all funding is exhausted.

**Renewables Portfolio Standard (RPS) Program**

- The California Public Utilities Commission (CPUC) adopted criteria for Investor-Owned Utilities (IOUs) to select the least-cost, best-fit renewable resources in the IOUs' solicitations for RPS eligible renewable energy. Adoption of the CPUC decision (D 04-07-029 in R.04-04-026) completed the initial RPS implementation rules, opening the door for the IOUs to conduct their first formal RPS solicitation. Previously, the utilities conducted solicitations to procure RPS eligible energy under "interim" authority that the CPUC put in-place while the RPS implementation rules were being developed.
- The CPUC approved the IOUs' RPS procurement plans and RPS Request for Offers. The CPUC excused Southern California Edison (SCE) from conducting an RPS solicitation in 2004, but San Diego Gas & Electric (SDG&E) and Pacific Gas and Electric (PG&E) opened RPS solicitations in July 2004 with bids due in August 2004.
- PG&E and SDG&E evaluated the bids received from their RPS Request for Offers using the least-cost, best-fit process to select their initial "short list" of preferred bidders (September 2004 and December 2004 for PG&E and SDG&E, respectively).

- Each utility developed its initial short list, which is the trigger for the CPUC to release the market price referent (MPR). The MPR represents the cost of long-term contracts for natural gas-based electricity that is comparable in delivery terms to a renewable long-term product. Bids priced at or below the MPR are considered *per se* reasonable; bids above the MPR may be eligible for Supplemental Energy Payments (SEPs) from the Energy Commission.
- In September 2004, the CPUC initiated their second phase of RPS implementation to address outstanding issues such as the development of RPS implementation rules for Electric Service Providers and Community Choice Aggregators and the refinement of RPS rules already in place. The CPUC also requested comments on the participation of distributed generation in the RPS.
- The Energy Commission certified 276 facilities as eligible for the RPS, 500 megawatts of which represent proposed new capacity.
- The Western Renewable Energy Generation Information System (WREGIS) Institutional Committee completed work on the recommendations for the governance structure and fee structure for WREGIS. In October, the Institutional Committee released the Phase II Institutional Committee Report.
- In October, the Energy Commission submitted the WREGIS Feasibility Study Report (FSR) to the Department of Finance and submitted the Information Technology Procurement Plan (ITPP) to the Department of General Services.
- In December, the Western Electricity Coordinating Council (WECC) approved the WREGIS charter that established the structure of the WREGIS Committee and defined an interim WREGIS Committee. The Interim WREGIS Committee will establish the Stakeholder Advisory Committee and conduct elections for the permanent WREGIS Committee.

### **Emerging Renewables Program**

- During this period, payments totaling \$26.9 million were made for 2,028 systems installed in investor-owned utility service areas, representing 8.2 megawatts of capacity.
- Payments to date total almost \$181 million for 11,733 systems, representing about 47 MW of distributed capacity.
- Beginning in January 2005, Assembly Bill 135 (Reyes, Statutes of 2004) authorized the use of \$60 million of program funds that will be collected beginning in 2007.
- Funds encumbered for 4,600 systems in IOU service areas total almost \$68 million, representing 20 MW of capacity. Remaining funds collected to date (including the \$60 million referenced above) total about \$51.3 million. However, because the ERP can encumber funds collected through 2006, a total of about \$100 million remains available for rebates.
- Over 2,800 reservation requests were received this period for systems in IOU service areas. Of those, about 1,200 were received during the last week in December, estimated to represent approximately \$11 million and about 4 MW of capacity.
- Six temporary support services staff were hired to assist the Emerging Renewables Program staff during peak workload when applicants submit rebate reservation requests when the rebate levels are scheduled to decline.
- A staff workshop was held in September to discuss a proposed pilot performance-based incentive program.
- In December, a Renewables Committee workshop was held to discuss the proposed pilot performance based incentive program and other guidebook changes.
- KEMA-Xenergy completed field verifications of installed systems to confirm that systems conform with their corresponding paperwork submittals.
- Updated public information continued to be made available on the Energy Commission's website.

### **Consumer Education Program**

- To date, disbursements for consumer education activities total about \$5 million.
- Payments totaling \$166,600 were made during this period for consumer education activities.

- In December, \$2.2 million was committed for a contract with the Western Electricity Coordinating Council to establish and operate WREGIS for four years.
- In July, staff announced the availability of the PV-New Construction toolkit on the Energy Commission's website to subscribers of the Renewable List Server and Renewable Energy Alliance members. Energy Solutions completed its project and submitted its final invoice in August for a total amount of \$49,932.
- In October, the Renewables Committee approved a \$50,000 grant project to highlight the 2005 Solar Decathlon.
- Renewable energy marketing materials were distributed at an Energy Commission Energy Efficiency Workshop in October attended by schools, utilities, and 35 local governments. Also in October, solar energy materials were made available to attendees of the Solar Power 2004 Expo & Conference in San Francisco.
- The Renewable Energy Alliance now consists of 254 individual members and 183 member organizations.

### **Customer Credit Program**

- To date, payments for customer credits total about \$65 million.
- In November 2004, the Renewables Committee decided to redistribute a \$4,000 overpayment to the remaining eligible retail providers claiming customer credits for large customers.
- In December 2004, \$4,000 was divided among four providers. These payments conclude the Customer Credit activities and the Energy Commission discontinued the Customer Credit Program.